

Service Date February 28, 1984

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * *

IN THE MATTER Of The Application)	
Of The MIDVALE WATER SUPPLY To)	UTILITY DIVISION
Increase Rates And Charges To Con-)	DOCKET NO 83.11.50
sumers In Its Eureka, Montana)	INTERIM RATE
Service Area)	ORDER NO. 5049

FINDINGS OF FACT

1. On November 14, 1983, the Midvale Water Supply Company (Applicant or Company) filed an application with this Commission for authorization to increase water rates to its Eureka, Montana customers on a permanent basis by approximately 60% which constitutes an annual revenue increase of approximately \$4,400.

2. Concurrent with its filing for a permanent increase in rates, the Company filed an application for an interim increase in rates of approximately 60% equaling a revenue increase of approximately \$4,400 or 100% of the proposed permanent increase.

3. The Commission's interim rules and guidelines call for "a clear showing that the petitioning utility is suffering an obvious income deficiency" before it will grant interim rate relief.

4. Examination of the Company's financial statements indicates that the Company has sustained operating losses of \$5,690 and \$6,623 for the years ended December 31, 1981 and 1982 respectively.

5. The Commission finds that the operating losses sustained by the Company represent an obvious income deficiency, in this instance, that deferred rate relief until a final order can be issued may adversely affect the utility's financial condition and further, that under its current ratemaking standards, the utility may be entitled to rate relief at the time a final order is issued.

6. The Commission finds that the Applicant's financial position has eroded and accordingly, finds the Company entitled to interim rate relief of \$4,400 on an annual basis.

7. The Applicant, for interim rate purposes, proposes to implement the following rates:

Residential	\$10.00 per month
Irrigation Surcharge	
4 mos/yr	\$ 5.00
Commercial	\$18.00C per month

The exhibits submitted by the Applicant indicate that the above rate structure will generate approximately \$4,400 in additional annual revenues and the Commission, for interim rate purposes, finds the proposed rate structure acceptable.

CONCLUSIONS OF LAW

1. Midvale Water Supply is a public utility furnishing water service to customers in the Eureka, Montana area. As such, it is subject to the supervision, regulation and control of this Commission, pursuant to Section 69-3-102, MCA.

2. Section 69-3-304, MCA, provides in part, "The Commission may in its discretion, temporarily approve increases pending a hearing or final decision."

3. The Commission concludes that the granting of an interim rate increase in the manner set forth herein is just, reasonable and within the discretion granted by Section 69-3-304, MCA.

ORDER

NOW THEREFORE, THE MONTANA PUBLIC SERVICE COMMISSION ORDERS THAT:

1. Midvale Water Supply is hereby granted authority to implement, on an interim basis, increased rates for its Eureka, Montana customers, designed to generate additional annual revenues in the amount of \$4,400.
2. Midvale Water Supply is to file revised tariff schedules reflecting the rates as contained in Findings of Fact, paragraph 7.
3. The interim relief granted in this order is to be effective for services rendered on and after February 27, 1984.
4. The increase granted herein is subject to rebate should the final order in this Docket determine a lesser increase is warranted. Such rebate would include interest at 12.0% per annum.

DONE IN OPEN SESSION this 27th day of February, 1984 by a 3-0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION.

Thomas J. Schneider, Chairman

Clyde Jarvis, Commissioner

Howard L. Ellis, Commissioner

ATTEST:

Madeline L. Cottrill
Commission, Secretary
(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.